

RBS and RUS, USDA

§4280.161

of the debt assumed will be entered as net collateral (recovery). Approved protective advances and accrued interest thereon made during the arrangement of a transfer and assumption will be included in the calculations.

§ 4280.153 Substitution of lender.

(a) All substitutions of lenders must comply with §4287.135(a)(2) and (b) of this chapter and paragraph (b) of this section.

(b) The Agency may approve the substitution of a new lender if the proposed substitute lender:

(1) Is an eligible lender in accordance with §4280.130;

(2) Is able to service the loan in accordance with the original loan documents; and

(3) Acquires title to the unguaranteed portion of the loan held by the original lender and assumes all original loan requirements, including liabilities and servicing responsibilities.

§ 4280.154 Default by borrower.

If the loan goes into default, the lender must comply with §4287.145 of this chapter.

§ 4280.155 Protective advances.

All protective advances made by the lender must comply with §4287.156 of this chapter.

§ 4280.156 Liquidation.

All liquidations must comply with §4287.157 of this chapter, except as follows:

(a) Under §4287.157(d)(13) of this chapter, whenever \$200,000 is used substitute \$100,000; and

(b) Under §4287.157(d)(13) of this chapter, replace the sentence “The appraisal shall consider this aspect” with “Both the estimate and the appraisal shall consider this aspect.”

§ 4280.157 Determination of loss and payment.

Loss and payments will be determined in accordance with §4287.158 of this chapter.

§ 4280.158 Future recovery.

Future recoveries will be conducted in accordance with §4287.169 of this chapter.

§ 4280.159 Bankruptcy.

Bankruptcies will be handled in accordance with §4287.170 of this chapter, except that the notification required under §4287.170(b)(4) of this chapter shall be made in writing.

§ 4280.160 Termination of guarantee.

Guarantees will be terminated in accordance with §4287.180 of this chapter.

SECTION C. DIRECT LOANS

§ 4280.161 Direct Loan Process.

(a) The Agency will determine each year whether or not direct loan funds are available. For each year in which direct loan funds are available, the Agency will publish a Notice of Funds Availability (NOFA) in the FEDERAL REGISTER.

(b) In each direct loan NOFA, the Agency will identify the following:

(1) The amount of funds available for direct loans;

(2) Applicant and project eligibility criteria;

(3) Minimum and maximum loan amounts;

(4) Interest rates;

(5) Terms of loan;

(6) Application and documentation requirements;

(7) Evaluation of applications;

(8) Actions required of the applicant/borrower (e.g., appraisals, land and property acquisition);

(9) Insurance requirements;

(10) Laws that contain other compliance requirements;

(11) Construction planning and performing development;

(12) Requirements after project construction;

(13) Letter of Conditions, loan agreement, and loan closing process;

(14) Processing and servicing of direct loans by the Agency; and

(15) Any applicable definitions.